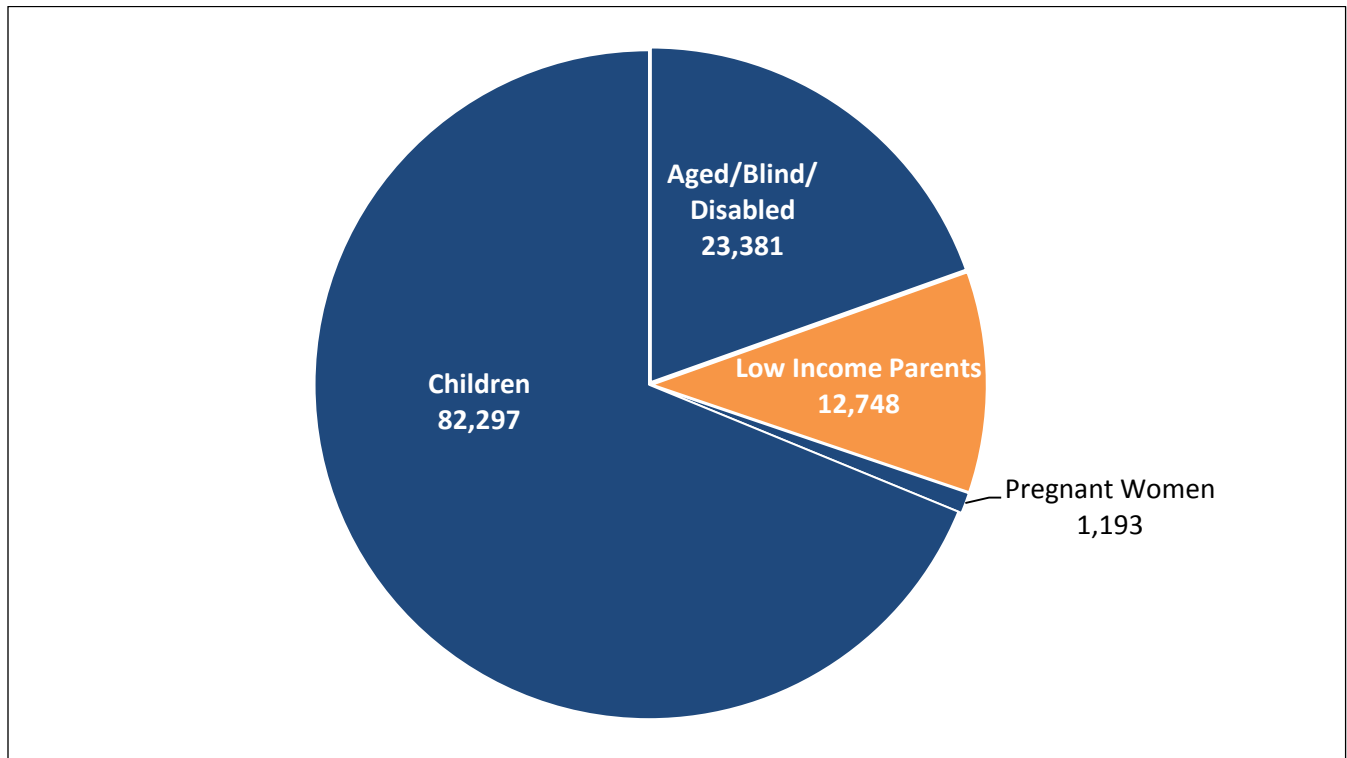


Work Requirement for Medicaid Recipients

December 20, 2017

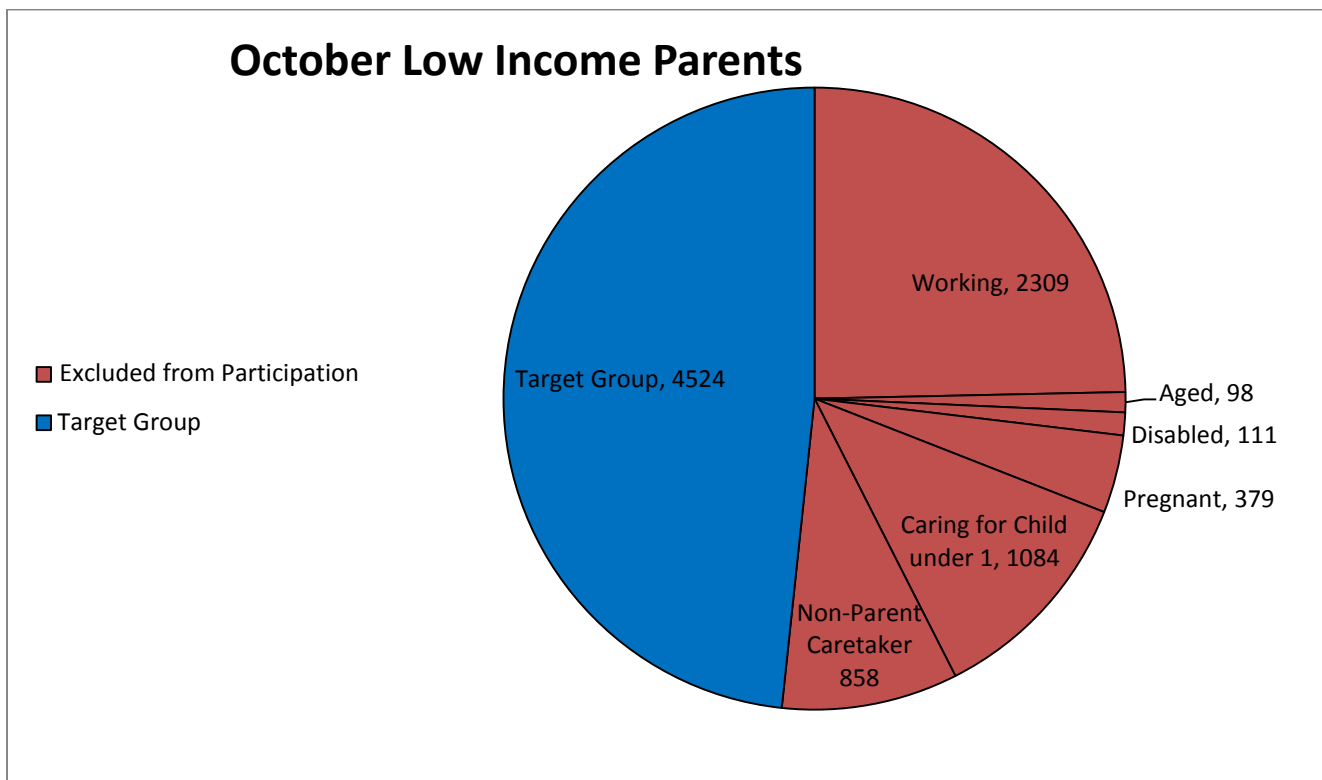
- Federal regulations currently prohibit work requirements as a condition of eligibility for Medicaid. CMS is now indicating they may approve State waiver requests to condition eligibility for non-pregnant, non-disabled and non-elderly adults upon satisfaction of a work requirement.
- A work component may be implemented as voluntary.
 - Five states, (Indiana, Montana, New Hampshire, Ohio and Wisconsin) have a voluntary work program.
- A work component may be implemented as mandatory which requires an 1115 waiver.
 - Seven states have submitted 1115 waivers or amendments to existing waivers requesting, among other things, mandatory work requirements (Alabama, Arkansas, Kentucky, North Carolina, Maine, Pennsylvania, and Utah). To date, no waiver requests have been approved.
- The above 12 states have either expanded Medicaid coverage to childless, non-disabled adults or have existing Medicaid programs for low income families to provide coverage up to 100% of the Federal Poverty Level. South Dakota's program limits coverage to approximately 52% of the Federal Poverty Level.
- The South Dakota Medicaid population includes the following coverage groups:

2017 Average Monthly Eligibles: 119,619



Proposal:

- Apply for a 5 year Medicaid 1115 waiver demonstration.
 - Mandate certain parents in the Low Income Parents coverage group participate in an intensive employment and training program as a condition of eligibility.
 - Submit the 1115 waiver application July 1, 2018
 - Establish stakeholder group January 2018 to inform program design (exemption criteria, future program locations and timeframes)
 - Begin the program July 1, 2018 as voluntary while awaiting approval of an 1115 waiver to make participation mandatory.
 - Target population: Able bodied parents with children age 1 or older.
 - Exclude from participation: Aged or disabled, non-parent caretakers and pregnant women.
 - Using the most recent month of data available, the total target population for all counties would be 4,524 individuals.



- Two year pilot in Minnehaha and Pennington Counties based on highest percentage of the target population and greatest availability of employment and training resources.
 - Estimate 1,301 individuals
 - After two years, expand to additional areas of the state where employment and training resources are available.
- Participants would be automatically enrolled with the Department of Labor and Regulation (DLR) for employment and training services. DLR would provide individualized and supportive services to assist in addressing barriers and connecting participants to the variety of employment and training resources administered by DLR, modeling efforts utilized during the recession.
- Waiver would include transitional benefits. As family income increases transitional services would support families as they transition off Medicaid and adjust to potential impact to child care or other programs.
 - Transitional child care assistance
 - Transitional Medicaid coverage including potential for premium assistance for employer sponsored health coverage

Next Steps

- Refine process for referral and case tracking (including outcomes)
- Assess needed information system changes for tracking and eligibility
- Determine budget available with DLR's current employment and training program for supportive services
- Form a stakeholder workgroup
- Draft 1115 waiver application